CYFROWY POLSAT S.A.
CAPITAL GROUP

Interim report for the period of three months ended on
30 June 2008

Warsaw, 13 August 2008

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We have prepared this quarterly report as required by Paragraph 86 section 1 point 1 of the Regulation of the Ministry of Finance dated 19 October 2005 on current and periodic information to be published by issuers of securities.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this quarterly report all references to the Company apply to Cyfrowy Polsat S.A. and all references to the Group apply to Cyfrowy Polsat S.A. and its consolidated subsidiaries. Expressions such as "we", "us", "our" and similar apply generally to the Group, unless from the context it is clear that they apply to the Company alone; „DTH" relates to digital satellite platform services which we provide in Poland since; „Family Package" relates to one of our starting packages available within our DTH services; „ Mini Package" relates to one of our starting packages available within our DTH services; „ARPU" relates to average net revenue per user calculated as subscription revenues in the reporting period divided by average number of subscribers and by the number of month in the reporting period; „ARPU Family Package" and „ARPU Mini Package" relates to average revenue per subscriber of Family Package and Mini Package, respectively; „churn" relates to churn rate, calculated as a percentage of terminated agreements – number of terminated agreements during the period divided by average number of subscriber in the period; „churn Family Package" and „churn Mini Package" relates to churn rate calculated for Family Package and Mini Package, respectively; „SAC" relates to sum of cost of provision paid to distributor and to call center per each attracted customer – as required by Accounting Act dated 29 September 1994; „MVNO" relates to mobile virtual network operator services, which we launched on 30 June 2008; „Shares" relates to the shares of Cyfrowy Polsat S.A., which were introduced to public trading on Warsaw Stock Exchange on 6 May 2008 and are marked with a code PLCFRPT00013.

Financial and Operating Data

This quarterly report contains financial statements of, and financial information relating to the Group. In particular, this quarterly report contains our interim consolidated financial statements for the three months ended 30 June 2008 and interim financial statements for the three month period ended 30 June 2008. The financial statements appended to this quarterly report have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Zloty.

Certain arithmetical data contained in this quarterly report, including financial and operating information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this quarterly report may not conform exactly to the total figure given for that column or row.

Currency Presentation

Unless otherwise indicated, all references in this quarterly report to "PLN" or "Zloty" are to the lawful currency of the Republic of Poland; all references to "U.S. $" or "U.S. dollars" are to the lawful currency of the United States; and all references to "€" or the "Euro" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty, which means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997) and includes, for this purpose, Council Regulations (EC) No. 1103/97 and No. 974/98.

All references to Zloty, U.S. dollars and Euro are in thousands, except share and per share data, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This quarterly report may contain forward-looking statements relating to our business, financial condition and results of operations. You can find these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate" and similar words used in this quarterly report. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution you not to place undue reliance on such statements, which speak only as of the date of this quarterly report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this quarterly report.

1. Introduction

We are the largest provider of pay DTH satellite television broadcasting services in Poland with 2,287,656 subscribers as of 30 June 2008. Our core business is to provide individual customers with access to television and radio channels grouped into different paid programming packages and transmitted via satellite.

We sell our satellite broadcasting services throughout Poland targeting the Polish viewing public with high-quality programming which is designed to appeal to, and be affordable for, every Polish family. We also offer other services such as signal transmission services for radio and television broadcasters.

We provide our subscribers with access to 68 Polish-language television channels, including sports, music/entertainment, news/information, children, education and film channels. We are the only pay DTH satellite operator to provide its customers with access to all major terrestrial channels in Poland, including Polsat, TVP 1, TVP 2 and TVN. In addition, we provide our customers with access to approximately 500 free to air ("FTA") television and radio channels available via satellite in Poland. Starting in December 2007, we began to offer four theme channels produced by BBC Worldwide Limited, all on an exclusive basis for DTH satellite operators in Poland.

We currently offer our customers two introductory packages: the Mini Package (*Pakiet Mini*) and the Family Package (*Pakiet Familijny*). The Family Package is our most popular introductory package. Subscribers to our Family Package may also purchase six theme packages: the Film Package (*Pakiet Film*), the HBO Package (*Pakiet HBO*), the Sports Package (*Pakiet Sport*), the Cinemax Movie Package (*Pakiet Cinemax*), the Cartoon Package (*Pakiet Bajeczka*) and the Music Package (*Pakiet Muzyka*) and, in addition, the Playboy channel. The theme packages are available in four premium packages: the Relax Mix Package (*Pakiet Relax Mix*), the Relax Mix + HBO Package (*Pakiet Relax Mix + HBO*), the Super Film Package (*Pakiet Super Film*) and the Relax Mix Film Package (*Pakiet Relax Mix Film*). The Relax Mix Film Package is only available to customers who subscribed to this package before 11 January 2008. We believe that a combination of our high-quality programming and competitive pricing have enabled us to significantly increase the number of our subscribers, which increased on a compound annual growth rate of 76% between 2004 and 2007.

We believe that the success of our business can be attributed to our extensive high-quality programming, competitive pricing and effective marketing strategy. We were the first pay DTH satellite operator in Poland to introduce a DVR set-top box with an option to record and pause live television programs in November 2006. In November 2007, we successfully launched the Polsat Sport HD channel using HDTV technology. We are considering the introduction of five HDTV channels in four theme categories (sports, entertainment, film and education) by the end of 2008. We are also considering the introduction of video on demand ("VoD") and internet protocol television ("IPTV"). In addition, we launched the production of our own set-top boxes in November 2007.

We sell our services through an effective DTH satellite sales network covering the entire territory of Poland that links our own central warehouse, 25 distributors, and a network of over 1,277 retail points of sale.

On 30 June 2008, leveraging our strong brand name and our existing subscriber base we launched an independent mobile telephony services. We built our own telecommunications infrastructure (excluding radio access network), integrated a new billing system and a customer relations management system (independent of the systems used in our DTH business), we have been granted a Regulatory decision on mobile termination rates, which replaces the interconnection agreements with Polkomtel S.A. and PTK Centertel Sp. z o.o. and negotiated roaming and interconnect agreements with other telecommunications operators, which allow us to establish our prices and our own tariffs. We believe that expected synergies between our DTH and MVNO businesses will help us to grow our customer base, increase our operating revenues and overall customer satisfaction and, as a result, maintain low churn.

We believe that synergy achieved as a result of provision of DTH and MVNO services shall contribute to increased operating revenue, overall subscriber satisfaction and, as a result, lower churn rate and actual increase in the number of subscribers.

However, we expect, that until our new services and the integrated offer are fully developed, a substantial part of our revenue shall continue to be derived from the pay TV digital satellite platform.

2. Summary historical financial data

The following table sets out our summary historical interim consolidated financial information for the period of three month ended on 30 June 2008 and 2007. You should read the information in conjunction with the interim condensed consolidated financial statements for the three month period ended 30 June 2008 and Management's Discussion and Analysis of Financial Situation and Results of Operations included in point 12 of this interim report.

For your convenience, certain financial data from the interim condensed consolidated profit and loss statements and interim condensed consolidated cash flow statement for the period of three month ended on 30 June 2008 and 2007 have been converted into euro at a rate of PLN 3.3978 per €1.00 (the arithmetic average of average exchange rates published by the National Bank of Poland, or NBP, on the last date of each of the months in the period). Certain balance sheet data as at 30 June 2008 and 2007 have been converted into euro at a rate of PLN 3.3542 per €1.00 (an exchange rate published by NBP on 30 June 2008). You should not view such translations as a representation that such Zloty amounts actually represent such euro amounts, or could be or could have been converted into euro at the rates indicated or at any other rate.

	Three months ended			
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Consolidated Income Statement	(PLN)	(PLN)	(Euro)	(Euro)
Revenues from operating activities	277,288	173,113	81,608	50,949
Profit from operating activities	99,419	54,859	29,260	16,145
Gross profit for the period	99,133	58,093	29,176	17,097
Net profit for the period	79,843	47,651	23,498	14,024
Net profit attributable to Cyfrowy Polsat S.A. shareholders	79,843	47,646	23,498	14,023
	(in numbers)			
Weighted average number of issued common shares	268,325,000	262,500,00	268,325,000	262,500,00
	(PLN)	(PLN)	(Euro)	(Euro)
Profit (loss) per ordinary share	0.30	0.18	0.09	0.05

	Three months ended			
	30 June 2008	30 June 2008	30 June 2008	30 June 2008
Consolidated Cash Flow Statements	(PLN)	(PLN)	(Euro)	(Euro)
Cash flow from operating activities	84,517	72,252	24,874	21,264
Cash flow from investing activities	(28,687)	(17,169)	(8,443)	(5,053)
Cash flow from financing activities	(69,180)	(8,231)	(20,360)	(2,422)
Total net cash flow				

	As at			
	30 June 2008	31 December 2008	30 June 2008	30 June 2008
Consolidated Balance Sheet	(PLN)	(PLN)	(Euro)	(Euro)
Total assets	630,667	595,203	188,023	177,450
Liabilities and provisions for liabilities	425,677	534,063	126,909	159,222
Non-current liabilities	105,556	134,914	31,470	40,222
Current liabilities	320,121	399,149	95,439	119,000
Equity	204,990	61,140	61,114	18,228
Issued capital	10,733	10,733	3,200	3,200
Equity attributable to equity holders of the Parent	204,990	61,140	61,114	18,228

	Three months ended			
	30 June 2008	30 June 2008	30 June 2008	30 June 2008
Other consolidated financial data	(PLN)	(PLN)	(Euro)	(Euro)
EBITDA	103,941	59,277	30,591	17,446
	(%)			
EBITDA margin[1]	37.5%	34.2%	37.5%	34.2%
Operating margin	35.9%	31.7%	35.9%	31.7%
Net profit margin	28.8%	27.5%	28.8%	27.5%

[1] The EBITDA result is calculated as operating profit plus depreciation. EBITDA is not a measure of operating profit, operating efficiency or liquidity. On the other hand, EBITDA is a measure used in activity management, because this measure is frequently used by investors and enables them to compare the efficiency without taking into account depreciation, the value of which may differ significantly depending on the accepted accounting methods as well as other non-operating factors. Accordingly, we have decided to include the EBITDA result in this report for the purpose of more thorough and extensive analysis of operating results in comparison with other companies.

3. Organizational structure of the Cyfrowy Polsat Capital Group

The following table presents the companies included in the organizational structure of Cyfrowy Polsat Capital Group as at 30 June 2008 together with its consolidation method:

Company	Activities	Share as at 30 June 2008	Consolidation method
Cyfrowy Polsat Technology Sp. z o.o.[1] ul. Łubinowa 4a 03-878 Warsaw	Production of set-top boxes	100%	Full
Praga Business Park Sp. z o.o. ul. Łubinowa 4a 03-878 Warsaw	Real estate rental	100%	Full

[1]As at 2 March 2007 the company's name was changes from Cyfrowy Polsat Mobile Sp. z o.o. to Cyfrowy Polsat Technology Sp. z o.o.

4. Changes in the organizational structure of the Cyfrowy Polsat Capital Group

During the three months ended 30 June 2008 there were no changes in the organization structure of the Cyfrowy Polsat Capital Group.

5. Discussion of the difference of the Company's results and published forecasts

We did not publish any financial forecasts.

6. Shareholders possessing no less than 5% of the Company's shares as of the date of publication of the interim report

The following table presents shareholders of Cyfrowy Polsat S.A. possessing no less than 5% of our shares as of the date of publication of this report, according to our best knowledge. The information included in the table is based on the information received from the shareholders pursuant to Art. 69, sec. 1, point 2 of the Act on Public Offering, conditions governing the introduction of financial instruments to organized trading and public companies.

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Polaris Finance B.V.[1, 3]	182,943,750	68.18%	357,968,750	78.53%
Other[2, 3]	85,381,250	31.82%	97,856,250	21.47%
Total	268,325,000	100.00%	455,825,000	100.00%

[1]Zygmunt Solorz-Żak owns indirectly 155.502.188 shares of Cyfrowy Polsat S.A. (57.95% of the share capital and 66.75% of votes) and Heronim Ruta owns indirectly 27.441.562 shares of Cyfrowy Polsat S.A. (10.23% of the share capital and 11.78% of votes) through Polaris Finance B.V.

[2]Zygmunt Solorz-Żak owns directly 10,603,750 shares of Cyfrowy Polsat S.A. (3.95% of the share capital and 4.66% of votes) and Heronim Ruta owns directly 1,871,250 shares of Cyfrowy Polsat S.A. (0.70% of the share capital and 0.82% of votes).

[3]Shares held by Polaris Finance B.V., Zygmunt Solorz-Żak, Heronim Ruta, members of our Management Board (Dominik Libicki, Maciej Gruber, Andrzej Matuszyński and Dariusz Działkowski) and Piotr Nurowski, Józef Birka and Aleksander Myszka are covered by the lock-up agreement, which prohibits the owner from sale of the shares and conduct any transactions which will result in the change of the ownership of those shares in the period of 180 days from the Warsaw Stock Exchange debut without a prior consent from UniCredit and UBS. This agreement will expire on 6 November 200.

7. Changes in the number of shares of Cyfrowy Polsat S.A. owned by the members of the managing and supervising persons

7.1 Members of the Management Board of Cyfrowy Polsat S.A.

The following table presents shares (not in thousands) owned directly or indirectly by our Management Board members as of 13 August 2008, the date of publication of this interim report, and changes in their holdings since the date of publication of our previous quarterly report on 14 May 2008. The information included in the table is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Management Board Member	Balance as of 14 May 2008	Increases	Decreases	Balance as of 13 August 2008
Dominik Libicki[1]	500,000	-	-	500,000
Maciej Gruber[1]	46,250	-	-	46,250
Andrzej Matuszyński[1]	32,500	-	-	32,500
Dariusz Działkowski[1]	46,250	-	-	46,250

[1] Shares held by Dominik Libicki, Maciej Gruber, Andrzej Matuszyński and Dariusz Działkowski are covered by the lock-up agreement, which prohibits the owner from sale of the shares and conduct any transactions which will result in the change of the ownership of those shares in the period of 180 days from the Warsaw Stock Exchange debut without a prior consent from UniCredit and UBS. This agreement will expire on 6 November 2008.

7.2 Members of the Supervisory Board of Cyfrowy Polsat S.A.

The following table presents shares (not in thousands) owned directly or indirectly by our Supervisory Board members as of 13 August 2008, the date of publication of this interim report, and changes in their holdings since the date of publication of our previous quarterly report on 14 May 2008. The information included in the table is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Supervisory Board Member	Balance as of 14 May 2008	Increases	Decreases	Balance as of 13 August 2008
Heronim Ruta[1]	29.312.812	-	-	29.312.812
Mariola Gaca	-	-	-	- (balance as at 4 July 2008)
Robert Gwiazdowski	- (balance as at 4 July 2008)	-	-	-
Anna Kwaśnik	-	-	-	- (balance as at 4 July 2008)
Zdzisław Gaca	-	-	-	- (balance as at 4 July 2008)
Andrzej Papis	-	-	-	-
Leszek Reksa	- (balance as at 4 July 2008)	-	-	-
Zygmunt Solorz-Żak[1]	166.105.938 (balance as at 4 July 2008)	-	-	166.105.938

[1] Shares held by Zygmunt Solorz-Żak and Heronim Ruta are covered by the loc-up agreement, which prohibits the owner from sale of the shares and conduct any transactions which will result in the change of the ownership of those shares in the period of 180 days from the Warsaw Stock Exchange debut without a prior consent from UniCredit and UBS. This agreement will expire on 6 November 2008.

On 4 July 2008 Our General Shareholders Meeting dismissed Mariola Gaca, Zdzisław Gaca and Anna Kwaśnik from our Supervisory Board and nominated Robert Gwiazdowski, Leszek Reksa and Zygmunt Solorz-Żak to our Supervisory Board. Robert Gwiazdowski and Leszek Reksa are independent members of our Supervisory Board.

8. Administrative and court proceedings against the Company or its consolidated subsidiaries in the three month period ended 30 June 2008

Proceedings before the President of Office for Competition and Consumers Protection ("UOKiK") regarding complaints filed by consumers

On 18 October 2006, the President of UOKiK, with regard to complaints filed by consumers forwarded to Cyfrowy Polsat S.A. summons to forward templates of agreements (contracts, rules, pricelists) offered to consumers in the scope of business conducted. In the correspondence dated 21 May 2007 the President of UOKiK informed that a number of clauses in templates of agreements used by the Company raised objections of the authority. In correspondence dated 29 June 2007, Cyfrowy Polsat S.A. submitted preliminary explanation, took a stance on the arguments raised by the President of UOKiK. In the correspondence dated 23 July 2007 the President of UOKiK called the Company to take a position on the remaining remarks and to forward a price list for its services applied by the Company. In correspondence dated 31 August 2007 Cyfrowy Polsat S.A. addressed the remaining remarks of the Presidents of UOKiK.

In case of application of unfair provisions in the templates of the agreements used by the Company, the President of UOKiK may impose a financial penalty on the Company with a maximum amount of 10% of turnover made by the Company in the financial year prior to the year the penalty has been imposed.

Proceedings before the President of UOKiK regarding a suspected application of practices breaching collective interests of consumers.

On 14 March 2007 the President of the Office of Competition and Consumer Protection decided to initiate preliminary proceedings in order to find out whether Cyfrowy Polsat S.A. has committed a breach of legally protected consumers rights.

The subject of the proceeding is determination whether advertising leaflets and information presented on the Company's website misled consumers as to the scope of services it provided within a particular agreement. The proceedings also cover the issue of possible breach of provisions of the civil code through sending to customers paid text messages "sms", assuming that lack of objections of the consumer is tantamount to granting consent to provision of such services.

On 30 May 2007 the President of UOKiK notified Cyfrowy Polsat S.A. about initiation *ex officio* proceedings regarding recognition of the fact that the advertising policy applied by the company, is designed to mislead customers regarding the content of TV channels offered, which is a practice breaching collective interests of consumers as set forth by art. 24 section 2 point 3 of the law dated 16 February 2007 about protection of competition and consumers, involving application of misleading advertising as set forth by art. 16, section 1, pt 2 of the law dated 16 April 1993 about countering unfair competition. In correspondence dated 20 and 29 June 2007 the company addressed several of the issues indicating to discrepancies between the advertising messages and provisions of agreements concluded with clients and indicating to reasons of the factual state. The Company stressed that the discrepancies in question have been removed. In correspondence dated 25 September 2007 the President of UOKiK called Cyfrowy Polsat S.A. to submit a financial statement for the financial year of 2006. The report in question was forwarded to the President of UOKiK together with a letter dated 8 October 2007.

On 19 May 2008, the Company received a notification of the President of UOKiK that due to a need for performance of ultimate assessment of the exhibits and running a consultation in the scope of issuing a decision on the issue in question with organizational units of UOKiK, the deadline for completion of proceedings has been extended until 31 May 2008. On 11 June 2008, the Company received a decision of the President of UOKiK no. DDK 6/2008 issued on 30 May 2008. With regards to the issue in question, the President of UOKiK recognized the practice as breaching the collective rights of costumers, involving the activities of the Company comprising presentation of information of its advertising, that the Cinemax package is included in the Relax Mix Package, whereas the Package was not included in the Relax Mix Package, but was provided to consumers within a promotion regarding the Relax Mix Package.

Proceedings before the President of UOKiK regarding suspected application of competition limiting practices

On 23 May 2007 the UOKiK Branch in Wrocław notified Cyfrowy Polsat S.A. about initiation of preliminary proceedings regarding the fact whether the Company engaged in practices limiting competition through hindering authorized distributors from distribution of competing digital platform run by ITI Neovision Sp. z o.o., which may constitute a breach of art. 6 section 1 of the law dated 16 February 2007 on protection of competition and consumers. As a result the Company has been obligated to supply certain documents presented in the notification. In correspondence dated 22 June 2007 Cyfrowy Polsat S.A. presented explanation on the issue in question. Moreover, on 17 October 2007 the Company forwarded requested documents to the authority. On 8 November 2007 the UOKiK Branch in Wrocław called Cyfrowy Polsat S.A. to submit further information. Cyfrowy Polsat S.A. provided an answer in a letter dated 28 November 2007. Since that time the Company has not received any formal correspondence regarding the issue in question. The only source of information was press reports, e.g. an interview with the President of UOKiK in Gazeta Prawna, where he stated that antimonopoly proceedings shall not be initiated regarding the issue in question.

In an event that the President of UOKiK determines that the practices of the Company limit competition, the President of UOKiK may force the Company to refrain from its application. Moreover, the President of UOKiK may impose a financial penalty totaling 10% of the turnover made by the Company in the financial year prior to the year the penalty has been imposed.

9. Related party transactions concluded in the three month period ended 30 June 2008

On 15 July 2008 we were notified that on 5 May 2008 an annex to the agreement regarding the rules of settling costs of services related to approval for trading of shares on the regulated market dated 1 April 2008, concluded between Cyfrowy Polsat S.A. and Polaris Finance B.V. was signed. The annex changes the cost level, related to the introduction of shares onto the regulated market, which Polaris Finance B.V. as a shareholder obligated itself to cover, from PLN 5,017 to PLN 7,807.

10. Information on guarantees granted by Cyfrowy Polsat or its subsidiaries to third parties during the three month period ended 30 June 2008

In the three months ended 30 June 2008 neither us, nor any of our affiliates or subsidiary companies had granted any guarantees or secured any third party credits for an amount exceeding 10% of its equity.

11. Other information important for the assessment of our personnel, economic and financial position, as well as our financial results

Sources of revenues from operating activities

Revenues from operating activities consist of: (i) subscription fees, (ii) rental of satellite television receiving equipment, (iii) sales of satellite television receiving equipment, (iv) sales of signal transmission services and (v) other operating revenue.

Subscription fees

Subscription fees consist of monthly subscription fees paid by our subscribers for the programming packages to which they subscribe. The total amount of subscription fees we collect depends on the number of subscribers and the amount of monthly subscription fees paid for our packages, which in turn depends on the number and type of packages purchased by our subscribers. In the three month period ended 30 June 2008 our subscription fees were 85.2% of our revenues from operating activities as compared to 91.3% in the corresponding period of 2007.

Rental of satellite television receiving equipment

Revenues from the rental of satellite television receiving equipment (set-top boxes and satellite dishes) consist of amounts paid by our subscribers for the use of such equipment owned by us and rented to such subscribers. The total amount of revenues from the rental of satellite television receiving equipment depends on the number and the type of set-top boxes and satellite dishes rented and the amount of rental fees collected from our subscribers for these set-top boxes and satellite dishes. Revenues from the rental of satellite television receiving equipment are generated by subscribers who signed up for our packages before December 2004 because thereafter we principally sold satellite television receiving equipment to subscribers, instead of renting such equipment to them. Revenues from rental of satellite receiving equipment which accounted for 0,9% of our revenues from operating activities in the period of three month ended on 30 June 2008 compared to 1,1% in the corresponding period of 2007.

Sales of satellite television receiving equipment

Revenues from the sale of satellite television receiving equipment consist of revenues from the sale of such equipment purchased by our subscribers when they enter into programming services agreements with us and from the sale of such equipment to subscribers under agreements which provide for the transfer of title to such equipment on the last day of the term agreement signed by them. The sale price of the satellite television receiving equipment for the subscriber depends on whether the sale is for the set-top box itself or for the set-top box and the satellite dish, as well as on what programming packages are purchased by the subscriber. In the period of three month ended on 30 June 2008 our revenues from sale of television receiving equipment were 8.3% of our revenues from operating activities as compared to 5.4% in the corresponding period of 2007.

Sales of signal transmission services

We generate revenue by providing signal transmission services, mainly to television and radio broadcasters. These services include access to part of the transponder band, signal transmission and coding as well as signal distribution to cable networks. These services are provided to broadcasters that are our licensors for programming. In the period of three month ended on 30 June 2008 our revenues from sale of signal transmission services were 1.5% of our revenues from operating activities as compared to 1.8% in the corresponding period of 2007.

Other operating revenue

In the period of three month ended on 30 June 2008 our other operating revenues were 4% of our revenues from operating activities as compared to 0.4% in the corresponding period of 2007. Other operating revenue consists of:

(i) compensation for lost or damaged set-top boxes and satellite dishes. Subscribers who use satellite television receiving equipment leased from us are required to return such equipment to us once they terminate the agreement with. If the satellite television receiving equipment is damaged, it will be repaired at the customer's expense. If a customer does not return such equipment for any reason, it will be required to pay us the equivalent of its value. If such equipment is returned undamaged, the deposit from the subscriber is returned;

(ii) revenues from real estate purchased by Praga Business Park held for investment purposes, including rent paid by tenants who lease office and storage space at the location of our registered office. Rental payments are made to our subsidiary Praga Business Park, which acquired the property in September 2006; and

(iii) other, which includes mainly revenues from advertising, transportation and mailing services.

Sources of costs of operating activities

Costs of operating activities consist of: (i) depreciation and amortization, (ii) programming costs, (iii) signal transmission services costs, (iv) distribution and marketing costs, (v) salaries and employee- related expenses, (vi) costs of satellite television receiving equipment sold, (vii) costs of electronic equipment sold and (vii) other operating costs.

Depreciation and amortization

Depreciation and amortization expenses primarily consisted of the depreciation of property, plant and equipment and to a lesser extent real estate. Depreciation and amortization expenses were 2.5% of our costs of operating activities in the period of three month ended on 30 June 2008 as compared to 3.7% in the corresponding period of 2007.

Programming costs

Programming costs consist of the sum of monthly license fees paid to television broadcasters as well as royalties payable to organizations for collective management of copyrights. The majority of our agreements with licensors provide that license fees are calculated as the product of the agreed rate per subscriber and the number of subscribers reported to a given broadcaster who paid for the package containing the broadcaster's channel. Some license agreements contain a so-called guaranteed minimum provision, pursuant to which we are required to pay a fixed license fee irrespective of the number of subscribers using the licensor's programming, and once this level is exceeded, the license fee is calculated as the product of the rate per one subscriber and the number of subscribers who paid for a package of programming services containing that licensor's channel. In the majority of cases, the number of our subscribers has exceeded the thresholds specified in those license agreements. In some cases, we are required to pay a flat-rate programming license fee. We have managed to enter into a number of license agreements under which the monthly per-subscriber rate of license fees declines as the number of subscribers increases. Programming costs were 25.9% of our costs of operating activities in the period of three month ended on 30 June 2008 as compared to 30.4% in the corresponding period of 2007.

Signal transmission services costs

Signal transmission services costs consist of: (i) payments for the lease of satellite transponder capacity, (ii) payments for the use of the Nagravision conditional access system (since December 2005, this has been calculated as the product of the monthly unit rate per active access card and the number of active access cards) and (iii) other signal transmission costs. Signal transmission service costs were 8% of our costs of operating activities in the period of three month ended on 30 June 2008 as compared to 9.2% in the corresponding period of 2007.

Distribution and marketing costs

Distribution and marketing costs consist of: (i) commissions paid to distributors, (ii) marketing expenses, (iii) mailing costs, (iv) call center costs and (v) other expenses.

Commissions paid to distributors consist of amounts paid both to distributors and retail points of sale when they conclude agreements with our customers for paid satellite televisions services. As a result, the costs of commissions for a specific agreement with a subscriber accrue throughout the initial term of the agreement. The cost of commissions paid to distributors that do not apply to specific subscription agreements are debited in full on our income statement as they are incurred. Commissions paid to distributors increased significantly for all periods under review, largely because a significant portion of the growth in the number of subscribers occurred through this distribution channel. Total commissions paid to distributors and to the customer call center in a given period constitute our subscriber acquisition cost ("SAC") for such period.

Marketing expenses consist of expenses for television and radio commercials, press and website advertising, promotional activities and materials, as well as other expenses incurred to increase sales and brand recognition. These expenses are not directly related to changes in the number of subscribers.

Mailing costs (correspondence with customers) are comprised of expenses related to mailing invoices and information related, among other things, to changes in programming offers, prices or regulations to subscribers. Such mailings to subscribers are made at least twice a year (usually in the spring and fall). In addition, we regularly mail selected subscriber groups, for example new customers, welcome packages to encourage them to subscribe to additional programming offers.

Call center costs include, among other things, payments to contract workers who make calls to and receive calls from our customers at our call center and sell pay DTH satellite television broadcasting services.

Other distribution and marketing expenses include primarily courier services, costs of handling the distribution of satellite television receiving equipment and costs related to servicing of our regional representatives.

Distribution and marketing costs were 25.4% of our costs of operating activities in the period of three month ended on 30 June 2008 as compared to 20.5% in the corresponding period of 2007.

Salaries and employee-related expenses

Salaries and employee-related expenses consist of salaries paid to employees under employment contracts or project-specific contracts, social security premiums, pension severance payments and other employee benefits. Most of our personnel have employment contracts. Project-specific contracts are used for certain positions in customer service and distribution to enable us to respond to the short-term need for seasonal employees in times of increased sales.

Salaries and employee-related expenses were 6.8% of our costs of operating activities in the period of three month ended on 30 June 2008 as compared to 5.2% in the corresponding period of 2007.

Costs of satellite television receiving equipment sold

We currently offer satellite television receiving equipment purchased from third party vendors at prices which are higher than the retail price for such equipment offered by us to our customers. The purpose of subsidizing these costs is to increase the price attractiveness and, in turn, affordability of our programming packages to make it available to a wide group of prospective customers of pay DTH satellite television services. Despite generating some additional costs, we believe that these subsidies continue to be essential to maintain the growth of our subscriber base and the significant growth in subscription fees. Retail prices of satellite dishes sold to our customers are not subsidized.

To reduce our costs of purchasing satellite television receiving equipment, we launched the production of our own set-top boxes in November 2007. A decrease in the cost of acquisition of set-top boxes will enable us either to offer our subscribers a lower purchase price for set-top boxes, which we expect would positively affect subscriber growth, or to maintain the current prices to subscribers but thereby improve our profitability.

Costs of satellite television receiving equipment sold were 17.8% of our costs of operating activities in the period of three month ended on 30 June 2008 as compared to 17% in the corresponding period of 2007.

Other operating costs

Key items of other operating costs include: (i) fixed asset impairment charges, (ii) provisions for doubtful debts, (iii) materials (mainly office and technical supplies) and energy costs, (iv) repairs and maintenance costs, (v) rent for premises (denominated in foreign currencies), (vi) expenses on legal, advisory and consulting services, (vii) expenses on collection services, (viii) banking fees, (ix) expenses on telecommunications services, (x) local taxes and other charges, (xi) security services, (xii) contributions to the Polish Film Institute, and (xiii) other operating costs.

Other operating costs were 13.7% of our costs of operating activities in the period of three month ended on 30 June 2008 as compared to 14.2% in the corresponding period of 2007.

Management discussion and analysis

Operating results

	Three months ended		
	30 June 2008	30 June 2007	Change
Average number of Family Package Subscribers[1)]	1,940,473	1,366,024	42.1%
Average number of Mini Package Subscribers	286,901	153,296	87.2%
Average number of Subscribers	2,227,374	1,519,320	46.6%
Number of Family Package Subscribers at the end of the period	1,984,931	1,399,845	41.8%
Number of Mini Package Subscribers at the end of the period	302,725	161,866	87.0%
Number of Subscribers at end of the period	2,287,656	1,561,711	46.5%
Churn rate of Family Package Subscribers	8.06%	4.15%	3.91 pp
Churn rate of Mini Package Subscribers	0.1%	0.01%	0.09 pp
Churn rate of Subscribers [2)]	7.10%	3.85%	3.25 pp
Average Revenue per User (ARPU)[3)] per month of Family Package (PLN)	39.3	37.6	4.5%
Average Revenue per User (ARPU) per month of Mini Package (PLN)	8.5	8.6	(1.1%)
Average Revenue per User (ARPU) per month (PLN)	35.3	34.7	1.7%
Subscriber Acquisition Cost (SAC)[4)] (PLN)	101.6	116.3	(12.6%)

(1) Calculated as the sum of the average number of subscribers in each month divided by the number of months in the period. Average number of subscribers per month is calculated according to the following formula: (subscribers at the end of the month + subscribers at the beginning of the month)/2.
(2) The percentage of terminated agreements calculated as the ratio of the number of terminated agreements in a given period to the average number of agreements in the period. The churn rates calculated for periods shorter than one year only relate to those given periods and are not annualized.
(3) Revenues from subscription fees for the period divided by the average number of subscribers in such period and the number of months in the period.
(4) Calculated as the average amount of commissions paid to distributors and to the customer call center per one new subscriber acquired.

As at 30 June 2008 we had 2,287,656 subscribers, 46.5% more than as at 30 June 2007, when we had 1,561,711 subscribers. Such a significant increase in our subscriber base was possible due to proper position of our services and process for those services on DTH market. Number of our Family Package subscribers increased by 41.8% to 1,984,931 and the number of our Mini Package subscribers increased by 87% to 302,725 subscribers.

The churn rate for the last 12 months increased to 7.1% in the period of 12 months ended on 30 June 2008 in comparison with 3.9% in the period of 12 months ended on 30 June 2007. The increase results primarily from an increase in the churn rate for the subscribers to the Family Package, which increased to 8.1% in the period of 12 months ended on 30 June 2008 from 4.1% in the period of 12 months ended on 30 June 2007. The increase in the churn rate of subscribers to the Family Package is partially caused by agreement termination process we initiated, which did not take place in the corresponding period of 2007, as a result of changes to our collection procedures. In the corresponding period of 2007 we did not execute any agreement terminations in relation to a discussion with UOKiK regarding the structure of contractual penalties in agreements with consumers.

Our monthly ARPU increased by 1.7% to PLN 35.3 in the period of three months ended on 30 June 2008 from PLN 34.7 in the corresponding period of 2007. ARPU per a subscriber of Family Package increased by 4.5% to PLN 39.3 in the period of three months ended on 30 June 2008 from PLN 37.6 in the corresponding period of 2007. The increase results mainly from the fact that since 1 January 2008 we have offered to our subscribers additionally paid bonus HBO and Super Film packages, which enjoy popularity among our subscribers, as well as the fact that since 1 January 2008 we have increased the price of our Family Package to PLN 37.90 to clients outside the initial period of the agreement and since that day he have consequently increased prices for those clients who are about to complete the basic term of the agreement. Our monthly ARPU per subscriber to the Mini Package was PLN 8.5 in the period of three months ended on 30 June 2008 in comparison with PLN 8.6 in the corresponding period of 2007.

Our average subscriber acquisition cost fell by 12.6% to PLN 101.6 in the period of three months ended on 30 June 2008 from PLN 116.3 in the corresponding period of 2007, mainly as a result of changes to the commission structure for our distributors.

Review of the financial situation

The following review of results for the period of three month ended on 31 March 2008 was executed on the basis of condensed interim consolidated financial statements for the period of three months ended on 30 June 2008 created in accordance with IAS 34 "*Interim Financial Reporting*".

The financial situation

Other fixed assets increased by PLN 9,863, or 10.1% to PLN 107,189 as at 30 June 2008 from PLN 97,326 as at 31 December 2007. This increase results mainly from expenditure on new tangible fixed assets for our MVNO services in the amount of PLN 7,457.

Other non-current assets decreased by PLN 7,702, or by 24.9% to PLN 23,254 as at 30 June 2008 from PLN 30,956 as at 31 December 2007. The decrease resulted from a fall in long term interim settlements from commissions to distributors by PLN 7,695 to PLN 21,920 as at 30 June 2008 from PLN 29,615 as at 31 December 2007. This decrease results from recognizing into cost and at the same time reclassifying the commissions between long and short-term interim settlements paid to distributors for agreements concluded at the end of 2007.

The stock level increased by PLN 16,506, or 12.7% to PLN 146,515 as at 30 June 2008 from PLN 130,009 as at 31 December 2007 as a result of increased levels of stock of mobile handsets and SIM cards, related to provision of telecommunication services, by PLN 6.250, and increased stock of set-top boxes, including HD boxes, due to the coming high sales period, by PLN 10,079.

Receivables from supply of goods and services and other receivables increased by PLN 43,276, or 54.7% to PLN 122,409 as at 30 June 2008 from PLN 79,133 as at 31 December 2007. The increase resulted, among others, from charging Polaris Finance B.V. for reimbursement of costs we bore in relation to admission of our shares for trading on the regulated market in the amount of PLN 4,115, the receivables from Nagravision S.A. resulting from a compensation for a change of coding system in the amount of PLN 5.913, and an increase in non-due as at the balance sheet date receivables from subscriptions as a result of recognition of revenues according to the accounting principles applied for promotions at the end of 2007 by PLN 23,405.

Other current assets decreased by 7,054, or 10.2% to PLN 61,917 as at 31 December 2008 from PLN 68,971 as at 31 December 2007 due to a decrease in the value of short-term active interim settlements for commissions for distributors by

PLN 8,395 to PLN 58,755 as at 30 June 2008 from PLN 67,150 as at 31 December 2007. The fall results from recognizing into costs commissions paid to distributors for agreements concluded at the end of 2007. The fall has been partially offset by an increase in other active interim short-term settlements by PLN 1,341.

The value of cash and cash equivalents decreased by PLN 13,435, or 8.9% to PLN 137,291 as at 30 June 2008 from PLN 150,726 as at 31 December 2007. The main items of cash outflow are (i) partial repayment of the bank credit, in the amount of PLN 50,000 on 5 June 2008 resulting from a credit agreement dated PLN on 9 October 2007 further referred to as Bank Pekao S.A., (ii) purchase of tangible fixed assets and intangible assets for the amount of PLN 28.772, and (ii) payment in January and February 2008 distributor commissions for effecting conclusion of subscriber agreements in 2007. They were partially offset by (i) inflow from Nagravision S.A. in the amount of PLN 15,473 as compensation for change of the coding system, (ii) higher inflow of cash from subscribers, whose five month promotional period has expired, in which they were not obligated to pay subscription fees, and also (iii) higher inflow resulting from a constant increase in the number of subscribers paying monthly subscription fees.

Liabilities from credits and loans (short- and long-term) decreased by PLN 54,147, or 24.5% to PLN 166,810 as at 30 June 2008 from PLN 220,957 as at 31 December 2007, mainly as a result of repayment made on 5 June 2008 of PLN 50,000 within a credit agreement with Bank Pekao S.A.

Liabilities from supplies and services decreased by PLN 86,035 or 41% to PLN 122,679 as at 30 June 2008 from PLN 208,714 as at 31 December 2007, mainly due to payment of distribution commissions in 2008 for leading to conclusion of subscription agreements in 2007, in the amount of PLN 63,567.

The equity increased by PLN 143,850 to PLN 204,990 as at 30 June 2008 from PLN 61,140 as at 31 December 2007, as a result of retained profit for previous years.

Comparison of results for the period of three months ended on 30 June 2008 with results of the corresponding period of 2007

Revenue from operating activities. Our revenue from operating activities increased by PLN 60.2% to PLN 277,288 in the period of three months ended 30 June 2008 from PLN 173,113 in the corresponding period of 2007. The increase mainly results from (i) an increase in revenue from subscription fees by 49.4% to PLN 236,207 from PLN 158,072 mainly due to an increase in the average number of subscribers in the period that increased to 2,227,374 from 1,519,320 and an increase in monthly ARPU; (ii) an increase in revenue from sales of satellite television receiving equipment by 148.1% to PLN 23,045 from PLN 9,289, mainly due to an increase in the number of set-top boxes sold, including an increase in the volume of more expensive HD (High Definition) set-top boxes, and (iii) an increase in other operating revenue to PLN 11,148 from PLN 716, mainly due to recognition into revenue the compensation we received from Nagravision S.A. in the amount of PLN 6,010 received for damages, which were borne resulting from replacement of cards and older set-top boxes which were not compatible with a new coding system in relation to the change of the coding system, and a change in the stock level of set-top boxes we produced, in the amount of PLN 1,441.

Costs of operating activities. Our costs of operating activities increased by PLN 50.4% to PLN 177,869 in the period of three months ended 30 June 2008 from PLN 118,255 in the corresponding period of 2007. The increase primarily resulted from (i) an increase in the distribution and marketing costs by 86% to PLN 45,130 from PLN 24,269 mainly due to an increase of commissions for distributors by 5,911 resulting from constant increase in the number of subscribers acquired, an increase by PLN 9,639 in the costs of mailing and the call center, resulting largely from the replacement of cards to set top boxes and older set top boxes not compatible with the new system of coding, an increase in the marketing costs resulting from intensified promotional campaigns for DTH services, and launch of MVNO services; (ii) an increase in the programming license fees by 29.5% to PLN 46,106 from PLN 35,613, mainly due to an increase in the average number of subscribers and extension of our programming offer by new television channels such as HBO, HBO 2 and HBO Comedy, (iii) an increase in other operating costs by 44.7% to PLN 24,289 from PLN 16,790, mainly due to the increase in costs related to modification of existing IT systems by PLN 3,095, an increase in the costs of legal advisory and consulting by PLN 1,183, and an increase in fees to the Polish Film Institute, (iv) an increase in costs of satellite television receiving equipment sold by 57.2% to PLN 31,576 from PLN 20,090 as a result of an increase in the number of satellite television receiving equipment sold and an increase in the number of more expensive HD set-top boxes in the number of set-top boxes sold in total, and (v) an increase in salaries and employee-related expenses, which increased by 96.4% to PLN 12,101 from PLN 6,160, mainly as a result of increase in the average number of employees in the period to 414 from 236, resulting from our organic growth, launch of MVNO services, as well as increase in average salary level over a comparable period.

Profit from operating activities. Our profit from operating activities increased by 81.2% to PLN 99,419 in the period of three months ended on 30 June 2008 from PLN 54,858 in the corresponding period of 2007. The increase primarily results from an increase in revenue from operating activities in a situation of operating activities costs growing more slowly.

Financial revenues. Our financial revenue decreased by 37.8% to PLN 5,681 in the period of three months ended on 30 June 2008 from PLN 9,128 in the corresponding period of 2007.

Financial revenues comprised interest in the amount of PLN 1,566 in the period of three months ended on 30 June 2008 in comparison with PLN 1,425 in the corresponding period of 2007, and revenues resulting from settlement of costs with Polaris Finance B.V. in relation to admission of our shares for trading on the regulated market for the amount of PLN 4,115. In the corresponding period of 2007 we recorded positive foreign exchange differences on foreign currency denominated debt, which was repaid in the fourth quarter of 2007.

Financial costs. Our financial cost increased to PLN 5,967 in the period of three months ended on 30 June 2008 from PLN 5,894 in the corresponding period of 2007.

Financial costs comprised costs from interest on bank loans of PLN 3,624 in the period of three months ended on 30 June 2008 when compared to PLN 3,263 in the corresponding period of 2007, and costs related to admission of our shares for trading on the regulated market in the amount of PLN 2,291 in the period of three months ended on 30 June 2008 when compared to PLN 2,631 in the corresponding period of 2007.

Gross profit. Our gross profit increased by 70.6% to PLN 99,132 in the period of three months ended on 30 June 2008 from PLN 58,093 in the corresponding period of 2007, mainly as a result of increase in profit from operating activities.

Income tax. The income tax increased by 84.4% to PLN 19,290 in the period of three months ended 30 June 2008 from PLN 10,461 in the corresponding period of 2007.

Net profit from continued activities. Our net profit from continued activities increased by 67.6% to PLN 79,843 in the period of three months ended on 30 June 2008 from PLN 47,632 in the corresponding period of 2007.

Net profit. Our net profit increased by 67.6% to PLN 79,843 in the period of three months ended on 30 June 2008 from PLN 47.651 in the corresponding period of 2007.

Other information

EBITDA. EBITDA increased by 75.3% to PLN 103,941 in the period of three months ended on 30 June 2008 from PLN 59,278 in the corresponding period of 2007. The increase resulted from an increase of in profit on operating activities. The EBITDA margin improved to 37.5% in the period of three months ended 30 June 2008, when compared to PLN 34.2% in the corresponding period of 2007.

Capital expenditure. Capital expenditure was PLN 13,535 in the period of three months ended on 30 June 2008 when compared to PLN 7,945 in the corresponding period of 2007, mainly due to expenditure borne on fixed assets and intangible assets for the provision of MVNO services, including expenditure on the billing system MVNO infrastructure, and expenditure on upgrading the premises we own.

Employment. Average number of employees was 414 persons in the period of three months ended on 30 June 2008, when compared with 236 in the corresponding period of 2007. The increase in staffing results from our organic growth, launching MVNO telecom services, and start of production of own set-top boxes.

Liquidity and capital reserves

The table below presents cash flow for the period of six months ended on 30 June 2008 and 2007.

	Six months ended on	
	30 June 2008	30 June 2007
Net cash flow from operating activities	84,517	72,252
Net cash flow from investment activities	(28,687)	(17,169)
Net cash flow from the financial activities	(69,180)	(8,231)
Net changes in cash and cash equivalents	(13,350)	46,852

Net cash flow from operating activities

Net cash flow from operating activities increased by PLN 12,265 to PLN 84,517 in the period of six months ended on 30 June 2008 from PLN 72,252 in the corresponding period of 2007. The increase mainly results from an increase in the net result by PLN 64,123 a decrease in the total amount of adjustments net by PLN 30,474. The main differences in adjustments resulted from a change in liabilities, provisions, passive accruals and revenues of future periods by PLN 43,646 as a result of settlement of liabilities towards our distributors resulting from their commissions due for conclusion of agreements with subscribers in 2007, a decrease in receivables and other assets by PLN 34,597, and an increase in the stock level by PLN 26,020, in relation to stocking with HD set-top boxes and set top boxes that we produce in anticipation of higher sales, and in particular the sale of HD sets, in the second half of 2008, and an increase in the income tax by PLN 14,998 .

Additionally cash from operating activities was decreased by income tax paid in the amount of PLN 21,703.

Net cash flow used in investing activities

The cash used in investing activities increased by PLN 11,518 to PLN 28,687 in the period of six months ended 30 June 2008 from PLN 17,169 in the corresponding period of 2007. In both periods the funds were used mainly to purchase of tangible fixed assets. In the period of six months ended on 30 June 2008 the amount totaled PLN 23,513 and was related expenditure on: (i) MVNO infrastructure, (ii) modernization of real state being our headquarters, and (iii) equipment for the call center and (iv) means of transport. A higher value of cash used in the investing activities in the period of six months ended on 30 June 2008, apart from the aforementioned differences, resulted mainly from the increase in spending on intangible assets, which results from the expenditure on the billing system for MVNO.

Net cash flow from financial activities

Cash flow used in financial activities in the period of six months ended on 30 June 2008 was PLN 69,180 when compared to PLN 8,231 in the corresponding period of 2007 and mainly comprised the repayment of bank debt in the amount of PLN 50,904 and repayment of interest on bank debt and financial lease in the amount of PLN 8,146 as well as outflow related to settlement of costs with Polaris Finance B.V. in relation to admission of our shares for trading on the regulated market for the amount of PLN 10,012.

Cash and cash equivalents as at 30 June 2008 was PLN 137,291 as compared to PLN 150,726 as at 30 June 20087. We keep our cash in a form of bank deposits in Zloty, Euro and U.S. dollars.

Future liquidity and capital resources

We expect that our principal future cash needs will be (i) debt service under our credit agreements, (ii) development of MVNO services, (iii) purchase of DVRs and High Definition set-top boxes from external suppliers as well as components for our own Standard Definition set-top boxes and (iv) capital expenditures. We believe that our cash balances, existing credit facilities and cash generated from our operations will be sufficient to fund these needs.

On 9 October 2007 we concluded a credit agreement with Bank BPH S.A. (currently Bank Pekao S.A.) for a Total amount of PLN 200 million. The purpose of the agreement was to refinance our foreign Exchange debt. As a result we have been able to substantially decrease our foreign exchange exposure. As at 30 June 2008 our total foreign currency debt included a debt, under a credit agreement between Raiffeisen Bank and Praga Business Park, in the amount of PLN 24,593.

Our non-current liabilities amounted to PLN 105,556 as at 30 June 2008 as compared to PLN 134,914 as at 31 December 2007. Our borrowed funds as at 30 June 2008 consisted of PLN 166.810 of indebtedness under the bank loans.

The ratio of consolidated net debt (defined as total borrowings (including accrued interest thereon) net of cash and cash equivalents (excluding restricted cash)) to consolidated shareholders' equity was 0.1x as at 30 June 2008 compared to 1.1x as at 31 December 2007.

As at 30 June 2008 the ratio of consolidated net debt to the last twelve months EBITDA was 0.1x.

Commitments

On 8 November 2007, we and Telekomunikacja Polska S.A. entered into an agreement concerning interconnection of our public telecommunications network and the public fixed-line telephony network of Telekomunikacja Polska S.A. for the purpose of providing telecommunications services, specifying the technical conditions for setting up and maintaining interconnection of the networks, and also defining details of mutual payment terms. With a view to securing potential claims, on 7 December 2007 we made a statement on submitting to enforcement of amounts that may become due and payable to Telekomunikacja Polska S.A. up to PLN 201.

On 16 May 2008, we entered into a bank guarantee agreement with Bank Pekao S.A. Under the agreement, Bank Pekao S.A. issued to Polkomtel S.A. an irrevocable and unconditional bank guarantee to pay Polkomtel S.A. up to PLN 600 at the first written payment request by Polkomtel S.A. The bank guarantee is valid until 16 May 2009 inclusively and expires automatically and entirely if a written payment request under the guarantee is not delivered to the bank by that date.

On 16 June 2008, we entered into a bank guarantee agreement with Bank Pekao S.A. Under the agreement, Bank Pekao S.A. issued to Polska Telefonia Komórkowa Centertel Sp. z o.o. ("Centertel") an irrevocable and unconditional bank guarantee to pay Centertel up to PLN 1,600 at the first written payment request by Centertel. The bank guarantee is valid until 16 December 2008 inclusively and expires automatically and entirely if a written payment request under the guarantee is not delivered to the bank by that date.

Contractual liabilities related to purchase of non-current assets

On 31 May 2007, we entered into an agreement with Accenture Sp. z o.o. for implementation and launch of a billing system. As at 30 June 2008, the value of uninvoiced deliveries and services amounted to PLN 37. Moreover, the value of uninvoiced deliveries and services under an additional order related to the agreement was PLN 554 as at 30 June 2008.

On 14 August 2007, we entered into an agreement with Nokia Siemens Networks Sp. z o.o. for delivery of hardware and software necessary for the provision of MVNO services. As of 30 June 2008, the value of deliveries and services yet to be provided under the agreement amounted to EUR 89 (PLN 297). Moreover, the value of uninvoiced deliveries and services under an additional order related to the agreement was EUR 62 (PLN 208) as at 30 June 2008.

Contractual obligations related to contracted services

On 31 May 2007, we entered into an agreement with Accenture Sp. z o.o. concerning maintenance of the billing system. The agreement is for a term of three years. The annual cost of the service amounts to EUR 245. Moreover, we entered into a service agreement for the billing system. The annual cost of the service amounts to PLN 592 thousand.

On 14 September 2007, we entered into an agreement with Nokia Siemens Networks Polska Sp. z o.o. concerning maintenance of the MVNO system plus BOT (Build Operate Transfer) service. The contract is for a term of 13 months. As at 30 June 2008, the value of deliveries and services yet to be provided under the agreement amounted to EUR 1,246.

On 14 September 2007, we entered into an agreement with Nokia Siemens Networks Sp. z o.o. for maintenance of the MVNO system. The contract is for a term of five years. The annual cost of the service amounts to EUR 98.

On 28 September 2007, Cyfrowy Polsat S.A. entered into a maintenance agreement with Alcatel Lucent Polska S.A. The contract is for a term of three years. The annual cost of the service amounts to EUR 59.

Trend information

The principal trend of which we are aware that we believe will affect our revenues and profitability is further development of pay television market, including cable and DTH.

We are exposed to fluctuations in the exchange rates of Zloty to both the Euro and the US dollar. A large proportion of our cost of operating activities is denominated in US dollars and Euro. In recent months the Zloty has appreciated against the Euro and the US Dollar.

Inflation in Poland is currently slowly increasing and has previously been stable. June 2008 inflation is approximately 4.6% year on year. We do not believe that the current inflationary trends will have a material impact on our business.

We cannot predict the likelihood that these trends will continue.

Information on market risks

All our business is conducted in Poland. However, due to the nature of our business we are exposed to fluctuations in exchange rates and interest rates, as a result of the fact that the amounts due to third parties are often expressed in dollars or euro, and our revenues are expressed primarily in Polish Zloty.

Exchange rates risk management

Our functional and reporting currency is Zloty. Majority of our revenues is expressed in Zloty, while the material part of our operating expenses and capital expenditure is denominated in other currencies than Zloty, mainly U.S. dollars and Euro. Additionally 15% of our debt under credit agreements is denominated in Euro.

In order to limit the currency risk exposure we purchase currencies at rates negotiated on the basis of our current and future needs resulting from exercise of payments in foreign currencies. On 9 October 2007 we entered into a credit agreement enabling us to swap our obligations from loans in foreign currencies into a bank loan denominated in Zloty. It enabled us to significantly reduce future currency risk. As a result of increasing value of payments in foreign currencies caused by an increase in the scale of our operations we intend to use forward transactions for currency purchases, hedging our risk of unwanted U.S. dollar and Euro currency fluctuation risk against Zloty.

Interest rate risk management

As at 30 June 2008 our debt under the agreements with Bank Pekao S.A. and Raiffeisen Bank Polska S.A. were related to the variable interest rate.

We do not hedge our interest rate risk exposure. As a result of refinancing our loans and credits with a variable interest rate debt we will be more exposed to increase in debt servicing costs related to increase in interest rates. We consider the use of interest rate hedge transaction in the future.

Liquidity risk management

Our objective is to maintain a balance between the continuity and flexibility of financing by using various sources of financing, including bank loans and other borrowings. We maintain a significant amount of cash and cash equivalents to be able, among other things, (i) to ensure payments under the satellite television receiving equipment delivery schedule – the accessories to satellite television receiving equipment and components necessary to produce set-top boxes in house, (ii) to finance planned expenses related to the launch of our MVNO services and the operation of our HDTV broadcasting, including the purchase of satellite TV receiving equipment with high unit purchase prices and (iii) to maintain financial liquidity in connection with client promotions planned for the second half of 2008.

We hold cash primarily in Polish Zloty but maintain a Euro and U.S. dollar positions, the value of which depends on the amount of payments to be made for license fees to broadcasters, signal transmission costs and the costs of conditional access system, as well as the purchase costs of set-top boxes, accessories to set-top boxes and components for in-house manufactured set-top boxes.

The principal risk to our sources of liquidity are operational risks, including especially risk associated with decreased pricing for the services we offer as a result of increased competition on the Polish market and the risk that our churn rate may increase thereby negatively affecting our revenues.

Dividend policy

Our Ordinary Annual Shareholders Meeting on 4 July 2008 approved a resolution on the dividend policy, stating that it is our intention to pay the dividend of 33% to 66% of net income, which will depend on the achieved profits, financial situation, existing liabilities (including restrictions coming from the loan agreements), possibility of disposition of capital reserves, valuation of the Company's perspective in the described market situation by the Management Board and Supervisory Board, as well as necessity of cash resources in the realization of our superior target, which is its further development, especially through the acquisitions and new projects.

Our Ordinary Annual Shareholders Meeting also approved a resolution on dividend of PLN 0.14 per share from our 2007 profits. The dividend was paid on 5 August 2008.

Changes in the Supervisory Board

On 4 July 2008, our Ordinary Annual Shareholders Meeting decided to dismiss Mariola Gaca, Anna Kwaśnik and Zdzisław Gaca from our Supervisory Board, and decided to nominate to our Supervisory Board Robert Gwiazdowski, Leszek Reksa and Zygmunt Solorz-Żak.

On 4 August 2008 our Supervisory Board decided on the composition of the Audit Committee and Remuneration Committee. The Audit Committee is composed of Heronim Ruta, Robert Gwiazdowski and Leszek Reksa, while the Remuneration Committee is composed of Zygmunt Solorz-Żak and Heronim Ruta.

13. Factors, that may impact our results in the following quarter

Competition

Shareholding structure of ITI Neovision B.V. Our market is very dynamic. There are three main players on the DTH market in Poland: Canal + Cyfrowy, the operator of Cyfra+ platform, ITI Neovision B.V. the operator of "n" platform and Cyfrowy Polsat S.A., operator of Cyfrowy Polsat platform. During the last quarter the 100% shareholder of ITI Neovision B.V. ITI Group sold 25% plus one share to TVN S.A. The change in the shareholding structure of one of our main competitors may have a negative effect on our ability to attract new customers, on our ability to sustain current customer base and on our cost of customer acquisition.

New players on the DTH market. During the last quarter TP S.A. announced its plan to launch DTH platform on the Polish market in the third quarter of 2008. Also TVP S.A. announced its intention to launch a DTH platform in 2009. The creation of two new competitors may have a negative impact on our ability to attract new customers, on our ability to sustain current customer base, on our ability to keep the current prices for end consumer and on set-top boxes subsidy as well as our customer acquisition costs.

Launch of MVNO services

On 30 June 2008 we started offering the services of mobile virtual network operator. We expect that from the launch of services until attracting 1,000,000 subscribers of our MVNO services, our cost of delivering this kind of service will be higher than revenues from MVNO services, which will result in the operating profit and EBITDA from the MVNO services having a negative impact on our operating profit and EBITDA.

Exchange rates fluctuations

Our functional and reporting currency is Zloty. Majority of our revenues is expressed in Zloty, while the material part of our operating expenses and capital expenditure is denominated in currencies other than Zloty, mainly US dollars and Euro. Additionally a small portion of our debt is denominated in Euro.

We are unable to predict the future foreign Exchange rates fluctuations; however, future foreign exchange rate fluctuation will impact, either positively – in case of appreciation of Zloty or negatively – in case of depreciation of Zloty, our financial results.

CYFROWY POLSAT GROUP

Interim Condensed Consolidated Financial Statements
for the Three and Six Months
Ended June 30, 2008

(PLN '000)

1 Interim Condensed Consolidated Income Statement

	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Revenue from subscription fees	236,207	158,072	452,848	301,242
Revenue from rental of digital satellite reception equipment	2,606	1,909	3,468	3,829
Revenue from sales of digital satellite reception equipment	23,045	9,289	43,632	39,321
Revenue from sales of broadcasting and transmission services	4,282	3,127	8,638	6,384
Other operating income	11,148	716	17,452	3,912
Total revenue from operating activities	277,288	173,113	526,038	354,688
Depreciation and amortisation	4,522	4,419	9,660	8,979
Cost of programming	46,106	35,612	96,762	69,886
Transmission cost	14,145	10,914	29,190	21,402
Distribution and marketing cost	45,130	24,269	83,268	44,064
Salaries, wages and employee benefits	12,101	6,160	22,452	11,878
Cost of sales of digital satellite reception equipment	31,576	20,090	63,489	77,311
Other operating expenses	24,289	16,790	38,291	22,482
Total operating expenses	177,869	118,254	343,112	256,002
Operating profit	99,419	54,859	182,926	98,686
Financial income	5,681	9,128	9,350	10,180
Financial expenses	5,967	5,894	13,609	9,346
Pre-tax profit	99,133	58,093	178,667	99,520
Income tax	19,290	10,461	34,817	19,820
Net profit on continued operations	79,843	47,632	143,850	79,700
Net profit/(loss) on discontinued operations	-	19	-	27
Net profit	79,843	47,651	143,850	79,727
Net profit attributable to:				
shareholders of the Parent	79,843	47,646	143,850	79,720
minority Interests	-	5	-	7
	79,843	47,651	143,850	79,727
Basic and diluted earnings per share (PLN)	0.30	0.18	0.54	0.30

(PLN '000)

2 Interim Condensed Consolidated Balance Sheet – Assets

Assets

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Digital satellite reception equipment	378	549	3,894
Other property, plant and equipment	107,189	97,326	65,163
Intangible assets	13,690	11,465	6,180
Investment property	17,125	18,932	19,333
Other non-current assets	23,254	30,956	8,121
Deferred tax asset	899	4,134	-
Total non-current assets	162,535	163,362	102,691
Inventories	146,515	130,009	100,535
Trade and other receivables	122,409	79,133	27,199
Income tax receivables	-	3,002	-
Other current assets	61,917	68,971	48,481
Cash and cash equivalents	137,291	150,726	156,246
Non-current assets held for sale	-	-	1,765
Total current assets	468,132	431,841	334,226
Total assets	630,667	595,203	436,917

(PLN '000)

3 Interim Condensed Consolidated Balance Sheet – Equity and Liabilities

Equity and Liabilities

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Share capital	10,733	10,733	10,500
Capital reserve	3,500	3,500	-
Statutory reserve funds	10,174	10,174	-
Retained earnings/(deficit)	180,583	36,733	6,532
Equity attributable to shareholders of the Parent	204,990	61,140	17,032
Minority interests	-	-	77
Total equity	204,990	61,140	17,109
Liabilities under loans and borrowings	96,863	132,226	27,748
Liabilities under finance lease	1,227	1,412	1,592
Deferred tax liability	6,723	671	12,190
Other non-current liabilities and provisions	743	605	559
Total non-current liabilities	105,556	134,914	42,089
Liabilities under loans and borrowings	69,947	88,731	200,472
Liabilities under finance lease	191	204	215
Income tax expense	655	-	3,720
Trade and other payables	122,679	208,714	81,764
Deposits received for digital satellite reception equipment	19,853	20,032	19,627
Deferred income	106,796	81,468	70,464
Liabilities connected with assets held for sale	-	-	1,457
Total current liabilities	320,121	399,149	377,719
Total liabilities	425,677	534,063	419,808
Total equity and liabilities	630,667	595,203	436,917

(PLN '000)

4 Interim Condensed Statement of Changes in Consolidated Equity for the Period Six Months Ended June 30, 2008

	Share capital	Capital reserve	Statutory reserve funds	Retained earnings	Equity attributable to shareholders of the Parent	Minority interests	Total equity
As at January 1, 2008	10,733	3,500	10,174	36,733	61,140	-	61,140
Net profit for period	-	-	-	143,850	143,850	-	143,850
As at June 30, 2008	10,733	3,500	10,174	180,583	204,990	-	204,990

5 Interim Condensed Statement of Changes in Consolidated Equity for the Period Six Months Ended June 30, 2008

	Share capital	Capital reserve	Statutory reserve funds	Retained deficit	Equity attributable to shareholders of the Parent	Minority interests	Total equity
As at January 1, 2007	10,500	-	-	(73,188)	(62,688)	70	(62,618)
Net profit for period	-	-	-	79,720	79,720	7	79,727
As at June 30, 2007	10,500	-	-	6,532	17,032	77	17,109

(PLN '000)

6 Interim Condensed Consolidated Cash Flow Statement

	Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited
Net profit	143,850	79,727
Adjustments:	(40,612)	(10,138)
Depreciation/ amortisation	9,660	8,979
(Gain)/loss on investment activities	6	(112)
Interest	3,938	4,028
Change in inventories	(16,506)	(42,526)
Change in receivables and other assets	(24,404)	10,193
Change in liabilities, provisions, accruals and deferrals	(50,350)	(6,704)
Foreign exchange gains/ (losses)	(1,650)	(7,346)
Income tax	34,817	19,819
Net decrease/(increase) in set-top boxes provided under operating lease	(54)	503
Other adjustments	3,931	3,028
Net cash generated from operating activities	103,238	69,589
Received interest related to operating activities	2,982	2,663
Income tax paid	(21,703)	-
Net cash provided by/ (used in) operating activities	84,517	72,252
Acquisition of intangible assets	(5,259)	(1,022)
Acquisition of property, plant and equipment	(23,513)	(16,187)
Proceeds from sale of tangible assets	85	40
Net cash provided by/ (used in) investing activities	(28,687)	(17,169)
Repayment of loans and borrowings	(50,904)	(1,690)
Payment of finance lease liabilities	(118)	(118)
Payment of interest on borrowings and finance lease	(8,146)	(6,423)
Other cash used in financing activities	(10,012)	-
Net cash provided by/ (used in) financing activities	(69,180)	(8,231)
Net increase/ decrease in cash and cash equivalents	(13,350)	46,852
Cash and cash equivalents at beginning of period	150,726	109,833
Change in cash resulting from foreign exchange gains/ (losses)	(85)	(439)
Cash and cash equivalents at end of period	137,291	156,246

7 Supplementary Information to the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended on June 30th 2008

7.1 Basis for the Preparation of the Consolidated Financial Statements

Compliance Statement

The interim condensed consolidated financial statements for the three and six months ended on June 30th 2008 have been prepared in accordance with the International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*. The accounting policies adopted by the Group when preparing the financial data for the three and six months ended on June 30th 2008 are consistent with those adopted when preparing the consolidated financial statements for the years ended on December 31st 2007 and December 31st 2006, as presented in the Annual Consolidated Report, except for the EU-endorsed standards and interpretations which are effective for the reporting periods beginning on or after January 1st 2008.

Published International Financial Reporting Standards and IFRIC Interpretations whose Application is not Mandatory

The International Financial Reporting Standards endorsed by the European Union ("EU IFRS") comprise all the International Accounting Standards, International Financial Reporting Standards and their Interpretations, except for those Standards and Interpretations, presented below, which are still to be endorsed by the European Union and the Standards and Interpretations which have been endorsed by the European Union but have not come into force yet.

The Group has not used the possibility of early adoption of the new Standards and Interpretations which have already been published and endorsed by the European Union and which are effective for annual periods beginning on or after January 1st 2008 (presented below). Furthermore, as at the balance-sheet date, the Group had not completed the work on estimating the impact of the new Standards and Interpretations which are to become effective after to balance-sheet date on the Group's consolidated financial statements for the period in which those Standards and Interpretations will be applied for the first time.

New Standards and Interpretations Endorsed by the EU which are Effective for the Financial Years Beginning On or After January 1st 2008

- IFRIC 11 *Group and Treasury Share Transactions* is effective for annual periods beginning on or after March 1st 2008;
- IFRS 8 *Operating Segments* is effective for annual periods beginning on or after January 1st 2009.

New Standards and Interpretations Pending Endorsement by the EU

- IFRIC 12 *Service Concession Arrangements*;
- IFRIC 13 *Customer Loyalty Programs*;
- IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*;
- IFRIC 15 *Agreements for the Construction of Real Estate;*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation;*
- further amendments to IAS 23 *Borrowing Costs*;
- further amendments to IAS 1 *Presentation of Financial Statements*;

- further amendments to IFRS 3 *Business Combinations*;

- further amendments to IAS 27 *Consolidated and Separate Financial Statements;*

- further amendments to IFRS 2 *Share-Based Payment*;

- further amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements* concerning puttable financial instruments and obligations arising on liquidation;

- further amendments to IFRS 1 *First-time Adoption of International Financial reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements – Consolidated Financial Statements And Accounting for Investments in Subsidiaries;*

- IAS 39 *Financial Instruments: Recognition and Measurement;*

- Revisions to International Financial Reporting Standards – a set of amendments to International Financial Reporting Standards.

Approval of these Condensed Interim Consolidated Financial Statements for Publication

These interim condensed consolidated financial statements were approved for publication by the Management Board on August 13th 2008.

7.2 Information on Seasonality in the Company's Operations

Seasonality of sales of digital satellite reception equipment. The only portion of the Company's revenue which is subject to seasonality is the revenue from sales of digital satellite reception equipment. The seasonality is caused by increased number of new subscribers in the fourth quarter of the year (before Christmas) and important sporting events which are not covered in terrestrial channels. Revenue from subscription fees is not directly subject to any seasonal trend.

7.3 Selected Items of Assets, Liabilities, Equity, Net Profit and Cash Flows, Including Items of Non-Recurring Nature, Size or Extent

7.3.1 Non-Recurring Events Occurring in the Period Covered by These Financial Statements

In the period covered by these interim financial statements, the Company continued replacement process of the encryption card and digital satellite reception equipment incompatible with the conditional access system. Pursuant to the agreement executed between Cyfrowy Polsat S.A. and Nagravision SA on November 2nd 2004, Nagravision SA is obligated to pay a contractual penalty covering the costs of card replacement resulting from a breach of the encryption system. As at 30th June 2008 Cyfrowy Polsat S.A. issued debit notes in amount of PLN 17,070 thousand, of which 9,507.4 thousand was recognized as current period revenue, and remaining amount was presented in interim condensed consolidated financial statements as deferred income.

Due to preparation of Initial Public Offering of Cyfrowy Polsat shares during the reporting period the financial costs include among others, also costs related to the offer. As at 30th June 2008 cost related directly to the offer totaled PLN 6.7 million. Pursuant to agreement concluded with Polaris Finance B.V. on 1st April 2008 Cyfrowy Polsat S.A. issued invoice concerning settlement of IPO related costs. As at the balance-sheet date Cyfrowy Polsat S.A. recognized financial revenues relating to settlement in amount of PLN 4.1 million.

The IPO was completed on 30th April 2008, on the day on which shares of the E series were allocated. 6 500 000 shares were allocated to the individual investors. 60 581 250 shares were allocated to institutional investors, including 30 724 481 in the international offer.

By the Resolution of the Board of the Warsaw Stock Exchange („WSE") no. 322/2008 dated 30th April 2008, 75 000 000 shares of E series of nominal value of PLN 0.04 (not in thousands) each were allocated for trading on the primary market, and 5 825 000 shares of F series of PLN 0.04 each.

By the Resolution of the Board of WSE no. 326/2008 dated 30th April 2008 the Board of WSE resolved to allow for trading on the primary market as of 6 May 2008, 75 000 000 and 5 825 000 ordinary bearer shares of E and F series respectively of nominal value of PLN 0.04 each and to list the shares on fixed listing basis under the name CYFRPLSAT and the ticker CPS.

On 5th June 2008 the Company, according to the provisions of a loan agreement dated 9th October 2007 with Bank Pekao S.A., made a partial repayment of the principal in the amount of PLN 50 million. The repayment was made out of own funds of the Company.

7.3.2 Equity

Share Capital

The Company's share capital as at June 30th 2008 is presented in the table below:

Series	Type	No. of shares	Par value per share (PLN)	No. of votes at GM	% of votes at GM
A	voting preference (two votes per share)	2,500,000	0.04	5,000,000	1.1%
B	voting preference (two votes per share)	2,500,000	0.04	5,000,000	1.1%
C	voting preference (two votes per share)	7,500,000	0.04	15,000,000	3.3%
D	voting preference (two votes per share)	175,000,000	0.04	350,000,000	76.7%
E	ordinary bearer shares	75,000,000	0.04	75,000,000	16.5%
F	ordinary bearer shares	5,825,000	0.04	5,825,000	1.3%
Total		268,325,000			100.0%

Supplementary Capital

On September 5th 2007, the General Shareholders Meeting of Cyfrowy Polsat S.A. adopted a resolution to transfer PLN 3,500 thousand from the 2006 net profit to reserve funds.

The General Shareholders Meeting of Cyfrowy Polsat S.A. held on 4th July 2008 adopted a resolution to appropriate PLN 464 thousand from the 2007 profit to reserve funds.

Dividends Paid and Declared

The General Shareholders Meeting of Cyfrowy Polsat S.A. held on 4th July 2008 adopted a resolution regarding the dividend policy. The Company aims to offer its shareholders a share in the profit made by the Company through dividend payment. Recommending appropriation of profit for the financial years 2008 - 2010, the Company shall present before the General Shareholders Meeting a motion regarding dividend payment in the range between 33% and 66% of the profit. Forwarding propositions for dividend payment at the aforementioned level shall depend on the amount of profit made, the financial situation, existing liabilities (including possible restrictions resulting debt agreements), ability to dispose of the supplementary capital, assessment of Management Board and Supervisory Board of the Company prospects in a particular market situation, and also the need for expenditure due to the pursuit of the ultimate goal of the Company being is permanent development, in particular through acquisitions and undertaking new projects.

The General Shareholders Meeting of Cyfrowy Polsat S.A. held on 4th July 2008 adopted a resolution to appropriate a part of the profit in the amount of PLN 37,566 thousand to dividend payment for 2007 to the shareholders of the Company. The dividend was paid on 5th August 2008.

7.3.3 Loans and Borrowings

As at June 30th 2008, the Group was a party to two loan agreements.

Agreement with Bank Pekao S.A. concluded on 9th October 2007, for a total loan amount of up to PLN 200 million, subject to variable interest based on WIBOR + 0.55% p.a. On 5th June 2008 the Company in line with the provisions of the loan agreement, repaid a part of the principal in the amount of PLN 50 million. The repayment was made out of own funds of the Company. The reminder of the loan amount is payable in equal installments at the end of each quarter. The ultimate repayment of the loan is scheduled no later than on the third anniversary of the execution of the agreement i.e. by 9th October 2010.

The said Loan agreement entails the following constraints on the Company:

a. ban on purchase of shares in other enterprises or on setting up companies without consent of the bank,
b. ban on entering into transactions on terms worse than market terms,
c. ban on extending loans without consent of the bank,
d. ban on accepting guarantee-related obligations without consent of the bank,
e. ban on dividend payments prior to the offering,
f. ban on retirement of Company shares and repurchase for retirement, without consent of the bank.

As at 30th June 2008 the outstanding loan amount with Bank Pekao S.A. was PLN 142,217 thousand.

On 18th September 2006, Praga Business Park Sp. z o.o. entered into a loan agreement with Raiffeisen Bank Polska S.A. for EUR 8 260 thousand carrying variable interest charges based on 1M EURIBOR plus 1.6% p.a. The loan is repayable in 41 quarterly installments, with the last installment payable on 31st December 2016. As at 30th June 2008 the outstanding amount was PLN 24,593 thousand.

(PLN '000)

7.3.4 Transactions with Related Parties

Below are presented transactions with related parties concluded by the Group in the reporting period:

Receivables	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Polsat Media Sp. z o.o.	-	1	-
Invest Bank S.A.	1	1	1
Inwestycje Polskie Sp. z o.o.	-	1	1
Media Biznes	98	-	73
Polska Telefonia Cyfrowa Sp. z o.o.	7	-	7
Polskie Media S.A.	11	-	11
Superstacja Sp. z o.o.	10	10	5
Polaris Finance B.V.	4,115	-	-
Telewizja Polsat S.A.	297	77	290
Total	4,539	90	388

Liabilities	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
EMarket Sp. z o.o.	343	41	n/a
Polska Telefonia Cyfrowa Sp. z o.o.	52	28	-
Polskie Media S.A.	-	-	5
Teleaudio Sp. z o.o.	283	522	-
Elektrim S.A.	1	13	3
Alpatran	31	107	31
Media Biznes Sp. z o.o	44	-	12
Telewizja Polsat S.A.	1,347	2,854	2,544
Total	2,101	3,565	2,595

Operating income	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Inwestycje Polskie Sp. z o.o.	-	-	-	10
Polska Telefonia Cyfrowa Sp. z o.o.	5	-	5	-
Polskie Media S.A.	9	24	24	24
Superstacja Sp. z o.o.	4	4	11	4
Telewizja Polsat S.A.	122	73	156	94
Media Biznes Sp. z o.o.	48	30	96	60
Total	188	131	292	192

(PLN '000)

Operating expenses	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Polska Telefonia Cyfrowa Sp. z o.o.	103	38	158	68
Teleaudio Sp. z o.o.	1,240	210	2,108	308
Emarket Sp. z o.o.	114	n/a	182	n/a
Elektrim S.A.	201	2	574	183
Alpatran	75	75	150	150
Telewizja Polsat S.A.	3,656	4,643	7,728	7,213
Media Biznes Sp. z o.o.	36	-	36	10
Total	5,425	4,968	10,936	7,932

Financial income	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Polaris Finance B.V.	4,115	-	4,115	-
Total	4,115	-	4,115	-

Financial expenses	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Polaris Finance B.V.	-	912	-	1,878
Satkabel Sp. z o.o.	-	-	-	18
Total	-	912	-	1,896

7.3.5 Off-Balance Sheet Liabilities

On November 8th 2007, the Company and Telekomunikacja Polska S.A. entered into an agreement concerning interconnection of the public telecommunications network of Cyfrowy Polsat S.A. and the public fixed-line telephony network of Telekomunikacja Polska S.A. for the purpose of providing telecommunications services, specifying the technical conditions for setting up and maintaining interconnection of the networks, and also defining details of mutual payment terms. With a view to securing potential claims, on December 7th 2007 Cyfrowy Polsat S.A. made a statement on submitting to enforcement of amounts that may become due and payable to Telekomunikacja Polska S.A. up to PLN 201 thousand.

On 16th May 2008, the Company entered into a bank guarantee agreement with Bank Pekao S.A. Under the agreement, Bank Pekao S.A. issued to Polkomtel S.A. an irrevocable and unconditional bank guarantee to pay Polkomtel S.A. up to PLN 600 thousand at the first written payment request by Polkomtel S.A. The bank guarantee is valid until 16th May 2009 inclusively and expires automatically and entirely if a written payment request under the guarantee is not delivered to the bank by that date.

On 16th June 2008, the Company entered into a bank guarantee agreement with Bank Pekao S.A. Under the agreement, Bank Pekao S.A. issued to Polska Telefonia Komórkowa Centertel Sp. z o.o. ("Centertel") an irrevocable and unconditional bank guarantee to pay Centertel up to PLN 1,600 thousand at the first written payment request by Centertel. The bank guarantee is valid until 16th December 2008 inclusively and expires automatically and entirely if a written payment request under the guarantee is not delivered to the bank by that date.

Contractual liabilities related to purchase of non-current assets

On May 31st 2007, Cyfrowy Polsat S.A. entered into an agreement with Accenture Sp. z o.o. for implementation and launch of a billing system. As at June 30th 2008, the value of uninvoiced deliveries and services amounted to PLN 37.2 thousand. Moreover, the value of uninvoiced deliveries and services under an additional order related to the agreement was PLN 553.8 thousand as at June 30th 2008.

On August 14th 2007, Cyfrowy Polsat S.A. entered into an agreement with Nokia Siemens Networks Sp. z o.o. for delivery of hardware and software necessary for the provision of MVNO services. As of June 30th 2008, the value of deliveries and services yet to be provided under the agreement amounted to EUR 88.6 thousand (PLN 297.3 thousand). Moreover, the value of uninvoiced deliveries and services under an additional order related to the agreement was EUR 61.9 thousand (PLN 207.5 thousand) as at June 30th 2008.

Contractual obligations related to contracted services

On May 31st 2007, Cyfrowy Polsat S.A. entered into an agreement with Accenture Sp. z o.o. concerning maintenance of the billing system. The agreement is for a term of three years. The annual cost of the service amounts to EUR 245.0 thousand. Moreover, the Company entered into an service agreement for the billing system. The annual cost of the service amounts to PLN 591.8 thousand.

On September 14th 2007 Cyfrowy Polsat S.A. entered into an agreement with Nokia Siemens Networks Polska Sp. z o.o. concerning maintenance of the MVNO system plus BOT (Build Operate Transfer) service. The contract is for a term of 13 months. As at June 30th 2008, the value of deliveries and services yet to be provided under the agreement amounted to EUR 1,246.3 thousand.

On September 14th 2007 Cyfrowy Polsat S.A. entered into an agreement with Nokia Siemens Networks Sp. z o.o. for maintenance of the MVNO system. The contract is for a term of five years. The annual cost of the service amounts to EUR 98.1 thousand.

On September 28th 2007, Cyfrowy Polsat S.A. entered into a maintenance agreement with Alcatel Lucent Polska S.A. The contract is for a term of three years. The annual cost of the service amounts to EUR 59.2 thousand.

7.4 Events Subsequent to the Balance-Sheet Date

On 4th June 2008, the General Shareholders Meeting of the Company, pursuant to Resolution no. 10 regarding appropriation of profit for 2007 and dividend payment resolved to allocate the net profit in the amount of PLN 115,038,239.62 made by the Company in the financial year ended 31st December 2007 to the following purposes:

- the amount of PLN 37,565,500.00 to payment of dividend for 2007 to the shareholders of the Company. The dividend for 2007 shall be paid in the amount of PLN 0.14 per share,
- the amount of PLN 464,129.07 to supplementary capital,
- the amount of PLN 77,008,610.55 to cover for losses of previous years.

Moreover, the General Shareholders Meeting resolved that the dividend date applied for determination of shareholders entitled to a dividend for 2007 is 18th July 2008, and the dividend payment date shall 5th August 2008.

On 4th June 2008, the General Shareholders Meeting resolved to dismiss from the Supervisory Board Ms. Mariola Gaca and Ms. Anna Kwaśnik, and Mr. Zdzisław Gaca, and appoint Mr. Robert Gwiazdowski, Mr. Leszek Reksa and Mr. Zygmunt Solorz-Żak to the Supervisory Board.

On 7th July 2008 the Company entered into an agreement with Polish Filmmakers Association ("SFP") pursuant to which SFP in exchange for a fee specified in the agreement shall grant Cyfrowy Polsat non-exclusive, non-transferable license to use the audio-video content and related rights that audio-video producers are entitled to regarding videograms in the area of rebroadcasting in the scope of audio-video pieces and videograms contained in television programs made available by Cyfrowy Polsat through satellite decoders. The agreement also regulates the issue of granting the aforementioned license by SPF and the rules of resulting fee payment for the period from 1st January 2000 i.e. since the digital platform's commencement until the agreement conclusion. The payment of the fee set forth in the agreement fully exhausts all the claims of SFP against the Company for usage of rights represented by SFP prior to the date execution of the agreement.

The agreement was concluded until 31st December 2010, with automatic renewal option for a further three year period.

On 15th July 2008 Annex 1 was signed to a bank guarantee concluded on 15th November 2007 between Bank BPH S.A. (currently Pekao S.A.) and Cyfrowy Polsat S.A. Pursuant to the guarantee agreement Bank BPH S.A. shall guarantee and obligated itself towards Polska Telefonia Cyfrowa Sp. z o.o. („PTC") to irrevocably and unconditionally pay towards PTC a maximum amount of PLN 3,300 thousand upon first written demand of PTC. Pursuant to the annex signed, the maximum guarantee amount was raised PLN 4,150 thousand. The guarantee is valid until 31st July 2009 inclusively and expires automatically and entirely if a written payment request under the guarantee is not delivered to the bank by that date.

CYFROWY POLSAT SA

Interim Condensed Financial Statements
for the Three and Six Months
Ended June 30, 2008

(PLN '000)

Interim Condensed Income Statement

	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Revenue from subscription fees	236,207	158,072	452,848	301,242
Revenue from rental of digital satellite reception equipment	2,606	1,909	3,468	3,829
Revenue from sales of digital satellite reception equipment	23,045	9,289	43,632	39,321
Revenue from sales of broadcasting and transmission services	4,282	3,127	8,638	6,384
Other operating income	9,428	122	14,369	2,458
Total revenue from operating activities	275,568	172,519	522,955	353,234
Depreciation and amortisation	3,732	4,051	8,083	8,245
Cost of programming	46,106	35,613	96,762	69,887
Transmission cost	14,145	10,914	29,190	21,402
Distribution and marketing cost	45,130	24,269	83,268	44,064
Salaries, wages and employee benefits	11,014	5,922	20,475	11,547
Cost of sales of digital satellite reception equipment	37,005	20,090	68,918	77,311
Other operating expenses	17,827	17,528	31,154	23,628
Total operating expenses	174,959	118,387	337,850	256,084
Operating profit	100,609	54,132	185,105	97,150
Financial income	6,407	8,636	8,645	10,367
Financial expenses	6,981	5,460	12,772	8,486
Pre-tax profit	100,035	57,308	180,978	99,031
Income tax	19,196	10,327	34,681	19,445
Net profit	80,839	46,981	146,297	79,586
Basic and diluted earnings per share (PLN)	0.30	0.18	0.54	0.30

(PLN '000)

Interim Condensed Balance Sheet – Assets

Assets

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Digital satellite reception equipment	378	549	3,894
Other property, plant and equipment	66,926	59,890	37,446
Intangible assets	12,962	10,367	6,118
Non-current loans to related undertakings	23,787	23,026	22,186
Non-current receivables from related undertakings	6,536	6,994	264
Other non-current assets	23,254	30,951	8,254
Deferred tax asset	-	3,701	-
Total non-current assets	133,843	135,478	78,162
Inventories	141,984	126,639	100,535
Current loans to related undertakings	14,079	7,065	1,509
Income tax receivables	-	3,002	-
Trade and other receivables	122,199	78,672	27,110
Other current assets	61,521	68,912	48,349
Cash and cash equivalents	132,325	141,651	149,095
Total current assets	472,108	425,941	326,598
Total assets	605,951	561,419	404,760

(PLN '000)

Interim Condensed Balance Sheet – Equity and Liabilities

Equity and Liabilities

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Share capital	10,733	10,733	10,500
Capital reserve	3,500	3,500	-
Statutory reserve funds	10,174	10,174	-
Retained earnings/(deficit)	184,326	38,029	6,077
Total equity	208,733	62,436	16,577
Deferred tax liability	5,455	-	11,793
Liabilities under loans and borrowings	73,747	106,655	-
Liabilities under finance lease	1,227	1,412	1,592
Other provisions for liabilities	743	531	558
Total non-current liabilities	81,172	108,598	13,943
Liabilities under loans and borrowings	68,470	87,151	198,823
Liabilities under finance lease	191	204	215
Income tax expense	655	-	3,720
Trade and other payables	120,081	201,530	81,391
Deposits received for digital satellite reception equipment	19,853	20,032	19,627
Deferred income	106,796	81,468	70,464
Total current liabilities	316,046	390,385	374,240
Total liabilities	397,218	498,983	388,183
Total equity and liabilities	605,951	561,419	404,760

(PLN '000)

Interim Condensed Statement of Changes in Equity for the Period Six Months Ended June 30, 2008

	Share capital	Capital reserve	Statutory reserve funds	Retained earnings	Equity attributable to shareholders of the Parent
As at January 1, 2008	10,733	3,500	10,174	38,029	62,436
Net profit for period	-	-	-	146,297	146,297
As at June 30, 2008	10,733	3,500	10,174	184,326	208,733

Interim Condensed Statement of Changes in Equity for the Period Six Months Ended June 30, 2007

	Share capital	Capital reserve	Statutory reserve funds	Retained deficit	Equity attributable to shareholders of the Parent
As at January 1, 2007	10,500	-	-	(73,509)	(63,009)
Net profit for period	-	-	-	79,586	79,586
As at June 30, 2007	10,500	-	-	6,077	16,577

(PLN '000)

Interim Condensed Cash Flow Statement

	Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited
Net profit	146,297	79,586
Adjustments:	(38,042)	(22,164)
Depreciation/ amortisation	8,083	8,245
(Gain)/loss on investment activities	6	87
Interest	1,632	2,495
Change in inventories	(15,345)	(42,526)
Change in receivables and other assets	(23,547)	304
Change in liabilities, provisions, accruals and deferrals	(46,895)	(7,068)
Foreign exchange gains/ (losses)	3	(6,883)
Income tax	34,681	19,445
Net decrease/(increase) in set-top boxes provided under operating lease	(54)	503
Other adjustments	3,394	3,234
Net cash generated from operating activities	108,255	57,422
Income tax paid	(21,703)	-
Received interest related to operating activities	2,856	2,531
Net cash provided by/ (used in) operating activities	89,408	59,953
Acquisition of intangible assets	(5,051)	(961)
Acquisition of property, plant and equipment	(19,727)	(15,435)
Purchases of financial assets	(6,500)	(1,500)
Proceeds from sale of financial assets	85	6,000
Proceeds from sale of tangible assets	-	39
Other financial inflows/(outflows)	-	2
Net cash provided by/ (used in) investing activities	(31,193)	(11,855)
Repayment of loans	(50,000)	(92)
Payment of finance lease liabilities	(118)	(118)
Payment of interest on borrowings and finance lease	(7,328)	(5,562)
Other cash used in financing activities	(10,012)	-
Net cash provided by/ (used in) financing activities	(67,458)	(5,772)
Net increase/ decrease in cash and cash equivalents	(9,243)	42,326
Cash and cash equivalents at beginning of period	141,651	107,208
Change in cash resulting from foreign exchange gains/ (losses)	(83)	(439)
Cash and cash equivalents at end of period	132,325	149,095

(PLN '000)

Supplementary Information to the Interim Condensed Financial Statements for the Three and Six Months Ended June 30, 2008

Basis for the Preparation of the Non-Consolidated Financial Statements

Compliance Statement

These interim condensed non-consolidated financial statements for the three and six months ended on June 30th 2008 have been prepared in accordance with the International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*.

The accounting policies adopted by the Company when preparing the non-consolidated financial data for the three and six months ended on June 30th 2008 are consistent with those adopted when preparing the interim condensed consolidated financial statements for the three and six months ended on June 30th 2008 and the consolidated financial statements for the financial years ended on December 31st 2007 and December 31st 2006, as presented in the Annual Report.

Below are presented the key items of the financial statements, as well as transactions excluded from the condensed consolidated financial statements.

Loans to Related Undertakings

Non-current loans

Borrower	Loan principal	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Praga Business Park Sp. z o.o.	20,690	23,787	23,026	22,186
Total	20,690	23,787	23,026	22,186

The loans advanced to Praga Business Park Sp. z o.o. are subordinated to the loan facility contracted at Raiffeisen Bank Polska S.A. The facility's repayment date was set at December 31st 2016.

Current loans

Borrower	Loan principal	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Cyfrowy Polsat Technology Sp. z o.o.	1,500	1,592	1,530	1,509
Cyfrowy Polsat Technology Sp. z o.o.	1,500	1,592	1,529	-
Cyfrowy Polsat Technology Sp. z o.o.	4,000	4,174	4,006	-
Cyfrowy Polsat Technology Sp. z o.o.	6,500	6,721	-	-
Total	13,500	14,079	7,065	1,509

On May 22nd 2007, Cyfrowy Polsat S.A. and Cyfrowy Polsat Technology Sp. z o.o. concluded a loan agreement under which a PLN 1,500 thousand loan was extended to Cyfrowy Polsat Technology to finance its on-going operations. Subsequently, on August 27th 2007, another PLN 1,500 thousand loan was granted. On December 21st 2007, Cyfrowy Polsat S.A. advanced a PLN 4,000 thousand loan to Cyfrowy Polsat Technology Sp. z o.o. to finance its on-going operations. Subsequently, on February 5th 2008, another loan of PLN 6,500 thousand was advanced to Cyfrowy Polsat Technology Sp. z o.o. to finance its on-going operations. The interest rates for all the above agreements on loans advanced to Cyfrowy Polsat Technology Sp. z o.o. were set as the 6M WIBOR rate quoted as at the last date preceding the date on which interest falls due plus a margin of 2%. The date of repayment of the loans together with interest was set at December 31st 2008 at the latest. The loans were secured with a blank promissory note of the borrower with a promissory note declaration.

(PLN '000)

Non-Current Receivables from Related Undertakings

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Non-current receivables under financed lease	6,272	6,730	-
Security deposits	264	264	264
Total	6,536	6,994	264

On December 1st 2007, Cyfrowy Polsat S.A. and Cyfrowy Polsat Technology Sp. z o.o. signed a lease agreement for an electronic equipment production line. In compliance with the requirements of IFRS, the agreement was disclosed in the Company's accounting books as financed lease. As at the date of the agreement, the total value of leased assets was PLN 7,664.1 thousand. The agreement was concluded for a period of seven years. As at the balance-sheet date, the amounts due from Cyfrowy Polsat Technology Sp. z o.o. under the lease agreement total PLN 8,181 thousand, including PLN 6,272 thousand representing a non-current portion. Because the leased assets are closely related to the business of Cyfrowy Polsat S.A., the interest income of PLN 286 thousand was disclosed under net financial income.

Related-Party Transactions

Receivables

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Praga Business Park Sp. z o.o.	264	264	269
Cyfrowy Polsat Technology Sp. z o.o.	56	71	58
Cyfrowy Polsat Technology Sp. z o.o. (lease)	8,181	7,713	-
Polsat Media Sp. z o.o.	-	1	-
Invest Bank S.A.	1	1	1
Inwestycje Polskie Sp. z o.o.	-	1	1
Media Biznes Sp. z o.o.	98	-	73
Polska Telefonia Cyfrowa Sp. z o.o.	7	-	7
Polskie Media S.A.	11	-	11
Superstacja Sp.z o.o.	10	10	5
Polaris Finance B.V.	4,115	-	-
Telewizja Polsat S.A.	297	77	290
Total	13,040	8,138	715

(PLN '000)

Liabilities

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Praga Business Park Sp. z o.o.	77	189	96
Cyfrowy Polsat Technology Sp. z o.o.	684	2	-
EMarket Sp. z o.o.	331	41	92
Polska Telefonia Cyfrowa Sp. z o.o.	50	28	-
Polskie Media S.A.	-	-	5
Teleaudio Sp. z o.o.	283	522	-
Elektrim S.A.	1	13	3
Alpatran	31	107	31
Media Biznes Sp. z o.o.	44	-	12
Telewizja Polsat S.A.	1,347	2,854	2,544
Total	2,848	3,756	2,783

Loans received

	June 30, 2008 unaudited	December 31, 2007	June 30, 2007 unaudited
Polaris Finance B.V.	-	-	56 281
Total	-	-	56 281

Operating income	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Cyfrowy Polsat Technology Sp. z o.o.	-	-	-	1
Inwestycje Polskie Sp. z o.o.	-	-	-	10
Polska Telefonia Cyfrowa Sp. z o.o.	5	-	5	-
Polskie Media S.A.	9	24	24	24
Superstacja Sp. z o.o.	4	4	11	4
Telewizja Polsat S.A.	122	73	156	94
Media Biznes Sp. z o.o.	48	30	96	60
Total	188	131	292	193

Operating expenses	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Praga Business Park Sp. z o.o.	826	710	1,689	1,281
Polska Telefonia Cyfrowa Sp. z o.o.	101	38	156	68
Teleaudio Sp. z o.o.	1,240	210	2,108	308
Emarket Sp. z o.o.	98	54	166	92
Elektrim S.A.	201	2	574	183
Alpatran	75	75	150	150
Telewizja Polsat S.A.	3,656	4,643	7,728	7,213
Media Biznes Sp. z o.o.	36	-	36	10
Total	6,233	5,732	12,607	9,305

(PLN '000)

In the six months ended on June 30th 2008, the Company purchased inventories (set-top boxes and accessories) from Cyfrowy Polsat Technology Sp. z o.o. for a total value of PLN 10,709.8 thousand.

Financial income	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Praga Business Park Sp. z o.o.	361	362	795	793
Cyfrowy Polsat Technology Sp. z o.o.	431	11	800	11
Polaris Finance B.V.	4,115	-	4,115	-
Total	4,907	373	5,710	804

Financial expenses	Three months ended		Six months ended	
	June 30, 2008 unaudited	June 30, 2007 unaudited	June 30, 2008 unaudited	June 30, 2007 unaudited
Polaris Finance B.V.	-	912	-	1,878
Satkabel Sp. z o.o.	-	-	-	18
Total	-	912	-	1,896